



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE

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March 23, 2006

TO: Each Supervisor

FROM: Donald L. Wolfe *Dr Wolfe*
Director of Public Works

ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY REGULAR BOARD MEETING-FEBRUARY 27, 2006

On February 27, 2006, my staff attended the regular Board meeting of the Alameda Corridor-East Construction Authority. A copy of the agenda and adopted minutes of the January 23, 2006, meeting are attached. The following items were discussed at the meeting, which are of interest to the County.

Agenda Item VI—The Chief Executive Officer reported that the Disadvantaged Business Enterprise (DBE) goal attainment for the quarter ending December 31, 2005, was 17 percent, which is above our adopted goal of 11 percent for Federal Fiscal Year 2005-06.

A Federal Appeals Court has made a ruling that affects the State's DBE program requirements when setting DBE goals for contracts using Federal funds. On March 7, 2006, Caltrans held a meeting to inform local agencies about the impacts of the ruling and corresponding regulation changes.

Agenda Item VII—The Board adopted to reject all bids received for the Sunset Avenue Grade Separation project and to re-solicit bids based on alternative design options. The low bid from Griffith Company, at \$46,385,919, is approximately 26 percent higher than the engineer's estimate.

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Agenda Item IX—The Board adopted the financial statement and Audit Report for Fiscal Year 2004-05.

The financial statement includes independent auditor's opinion that the statements fairly present the agency's financial positions.

The audit report is required by the Federal government to monitor the Alameda Corridor—East Construction Authority compliance with the regulations governing the use of Federal funds. The report found no instance of noncompliance.

Agenda Item X—The Board adopted staff's recommendation to support AB 1157 (Frommer), which is related to rail safety program.

AB 1157 would authorize placing before the voters a \$500 million general obligation bond for eliminating the most dangerous railroad-highway safety grade crossings in the State. Funding for the program is currently \$15 million state wide. The additional funding, if approved by the voters, would be allocated according to the priority list prepared by the Public Utility Commission.

The next meeting of the Board will be held on March 27, 2006, at 2 p.m., at the Irwindale City Hall Council Chambers.

AU:abc

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Attach.

cc: Chief Administrative Office
Executive Office



Alameda Corridor-East Construction Authority

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REGULAR MEETING AGENDA

Monday, February 27, 2006 – 2:00 P.M.

Irwindale City Hall – Council Chambers

5050 Irwindale Avenue

Irwindale, CA 91706

Members of the public may comment on any item on the agenda at the time it is taken up by the Board. We ask that members of the public come forward to be recognized by the Chair and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a three-minute time limit on individual remarks at the beginning of the discussion.

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| I. | Roll Call and Introductions | |
| II. | Pledge of Allegiance | |
| III. | Approval of Minutes of Regular Meeting of January 23, 2006 (Pages 1-4) | Action |
| IV. | Public Comment | |
| V. | Chairman's Remarks | |
| VI. | Chief Executive Officer's Report (Pages 5-22) | Information |
| VII. | Approval to Reject All Bids and Re-Bid Sunset Ave Grade Separation Construction Contract (Pages 23-24) | Information
Action |
| VIII. | Review of Proposed Amendments to San Gabriel Valley Council of Governments By-Laws (To be distributed separately) | Possible Action |
| IX. | Approval of Financial Statements and Audit Report for Fiscal Year 2005-06 (Pages 25-62) | Action |
| X. | Approval of Support Position on AB 1157 (Page 63) | Action |
| XI. | Closed Session: The Board will adjourn to closed session in accordance with Government Code 54956.8 to discuss real property negotiations:
Property Address: 955 Price Street, Pomona, CA 91767
Agency Negotiators: Mark Mendoza, Paragon Partners/Joe Montes, Burke Williams & Sorensen, LLP
Negotiating Parties: ACE Construction Authority and Bruce C. Allyn Jr. and Allyn Family Trust
Matters Under Negotiation: Price and Terms | Possible Action |
| XII. | Adjournment | Action |

The ACE Construction Authority is currently constituted of seven (7) member jurisdiction; the Cities of El Monte, Industry, Montebello, San Gabriel and Pomona, the County of Los Angeles and the San Gabriel Valley Council of Governments. A San Bernardino County Council of Governments representative is an ex-officio Board member.

Each member or alternate has one vote. A quorum of the ACE Construction Authority is no less than four (4) of its total voting membership. Actions taken by the ACE Construction Authority shall be by simple majority of the members present with a quorum in attendance except for personnel actions, the annual budget, matters dealing with the Administrative Code or matters requiring subsequent approval by the SGVCOG, all of which shall require five (5) votes.



**ACE Construction Authority
Regular Board Meeting
January 23, 2005
Minutes**

The Chair called the meeting to order at the Irwindale City Hall at 2:01 PM.

1. In attendance were:

Ernest Gutierrez, Chair
Harry Baldwin, San Gabriel
George Hunter, Pomona
Phil Marcellin, Industry
Gloria Molina, County of LA
Carol Herrera, SGVCOG
Paul Eaton, Ex Officio, SANBAG

Staff

Rick Richmond, Chief Executive Officer
Joe Silvey, Legal Counsel
Sharon Neely, staff
Bruce Armistead, staff
Deanna Stanley, staff
Girish Roy, staff
Lou Cluster, staff
Chip Conway, staff

Guests

Bob Bagwell, City of Montebello
David Varnan, Congressman Gary Miller
Gary Neely, Assemblyman Bob Huff
Laura Cornejo, City of Montebello
Tom Melendrez, City of Montebello
Allen Ude, County of Los Angeles
Shafi Sharifan, IDC
Donna Lee, Southern California Edison

2. Pledge of Allegiance

Board Member Baldwin led the pledge of allegiance.

3. Approval of Regular Meeting minutes December 19, 2005.

A motion was made to approve the meeting minutes of December 19, 2005.
M/S/C: Herrera/Baldwin/Unanimous

4. Public Comments

There were no public comments.

5. Chairman's Remarks

Chairman Gutierrez welcomed Bob Bagwell, Mayor of Montebello to the Board. The Chairman reported that Governor Schwarzenegger along with Congressman David Dreier visited the Ramona Blvd grade separation project on January 6 and spoke about the Governor's Strategic Growth Plan.

6. Chief Executive Officer's Report

Mr. Richmond referenced the mitigation monitoring reports for active construction projects were in the agenda for the Board's information and that quarterly reports would continue to be provided. Bruce Armistead reviewed construction progress photos of East End Avenue and Reservoir Street grade separation projects. He also reviewed Temple Avenue train diversion construction progress photos. Lou Cluster reviewed progress photos of the Ramona Blvd. grade separation project.

7. Election of Officers

Chairman Gutierrez opened the floor for nomination of Chair. Member Herrera nominated Ernie Gutierrez, which was seconded by member Molina. There were no other nominations for Chair. A motion was made to close the nominations.
M/S/C: Herrera/Molina/Unanimous

Chairman Gutierrez opened the floor for nomination of Vice Chair. Member Baldwin nominated George Hunter, which was seconded by member Molina. There were no other nominations for Vice Chairman.
M/S/C: Baldwin/Molina/Unanimous

7. Hearing on Amendment to Resolution of Necessity for Reservoir Grade Separation

Chairman Gutierrez opened the hearing for amendment to Resolution of Necessity No. 03-02 for a new Resolution No. 06-01. Joe Silvey summarized the Board's previous action to approve Resolution No. 03-02 in March, 2003. He indicated that through ongoing negotiations it was determined the Resolution needed to be modified to better refine the description of the property rights. He indicated that action did not have any impact on the schedule and that this item had a trial date of April 4. He also reminded the Board that action today would not impact staff's commitment to continue negotiations. A motion was made to close the hearing. M/S/C: Baldwin/Hunter/Unanimous

A motion was made to approve the staff recommendation by Board Member Baldwin and seconded by Member Molina. A roll call vote was taken to approve the staff recommendation adopting Resolution No. 06-01 amending Resolution No. 02.

Ayes: Baldwin/Hunter/Gutierrez/Herrera/Molina/Marcellin
Nays: None

8. Approval of Support Positions on State Transportation Funding Legislation

Mr. Richmond summarized the pending transportation related bills recently introduced in the Senate. He indicated SB 1165 and AB 1828 were expected to be consolidated along with SB 1024 and AB 1783 by a Governor-appointed super conference committee. He indicated the super conference committee was created to address the Governor's Strategic Growth Plan. He indicated staff's concern with a new proposed matching requirement. This requirement applied to goods movement mitigation projects. The consolidated bills had an aggressive schedule for March legislation. Mr. Richmond indicated it was staff's recommendation to support AB 1838 and SB 1165 and work with authors to amend the matching requirement. Mr. Richmond reviewed the components of SB 1024. In addition, he indicated the ACE Project would expect to compete favorably for a greater portion of goods movement congestion relief funds. Mr. Richmond recommended a support position on this bill. Lastly, Mr. Richmond reviewed concerns with AB 1783, a proposed new infrastructure financing bond which includes a section that states only planning, design and engineering expenses are eligible. Mr. Richmond recommended support in concept and work with author to include construction expenses as eligible.

A motion was made to support AB 1838 (Oropeza) and SB 1165 (Dutton) and work with authors to amend matching requirement; support SB 1024 (Perata); and support AB 1783 (Nunez) in concept and work with author to clarify that construction expenses are eligible in Section 99104(b).

M/S/C: Marcellin/Herrera/Unanimous

9. Financial Status Reports

Mr. Richmond recommended the reports in the agenda would be provided monthly to provide the Board a more comprehensive review of the financial status of the Authority. He indicated the project monthly reports as well as the project quarterly reports would continue to be provided. He suggested the monthly reports would reflect actual spending versus annual budget, project spending by month/fiscal year and life to date. A status of grant reimbursement as investment information would also be included. Member Herrera indicated the San Gabriel Valley Council of Governments recently discussed the By-laws of ACE and the overall responsibilities between the Treasurer of the COG and ACE finances. Ms. Herrera indicated a policy review committee had been created to

review this matter. Chairman Gutierrez indicated his satisfaction with the information provided to the Board quarterly and suggested the financial status reports be provided quarterly. The Board agreed that the financial status reports should be provided quarterly along with project quarterly reports already provided.

10. Quarterly Report

Mr. Richmond reviewed the procurement of construction contract for the Sunset Ave grade separation. He reported that the bids came in significantly over the engineer's estimate and staff was evaluating the bids in detail. The matter was discussed and Mr. Richmond indicated he would provide a recommendation to the Board at the next regularly scheduled Board meeting. Mr. Richmond reviewed the schedule, costs and accomplishments over the past quarter. He reported a four-month delay on Temple Ave project due to an ongoing dispute with the Union Pacific and re-sequencing the construction activities to minimize costs. He summarized a \$1.2 million cost increase due to utility and right-of-way costs at the East End/Reservoir, Brea Canyon Rd and Ramona Projects. The Brea Canyon Rd. project also included legal costs. Accomplishments of the last quarter included completion of pumphouse work and punch list items at Nogales Street. East End/Reservoir bridge piling and superstructure work was completed. Ramona UPRR signal shelter was completed. Temple Ave right-of-entry was received and the contractor work was re-started. Sunset right-of-way certification was approved by Caltrans and the construction contract was advertised. Lastly, he reported, the Brea Canyon Rd. certification was approved by Caltrans and construction contract was advertised with a February bid opening date.

11. Closed Session

Joe Silvey announced the Board would adjourn to closed session in accordance with Government Code 54956.8 to discuss real property negotiations.

The Board returned and Mr. Silvey announced there was no action to report.

12. Adjournment

The meeting was adjourned at 3:14 PM.

M/S/C: Gutierrez/Hunter/Unanimous